

APR 18 2002



## Financial Assistance Award

### DENALI COMMISSION

510 "L" Street, Suite 410  
Anchorage, Alaska 99501  
(907) 271-1414 (phone)  
(907) 271-1415 (fax)  
www.denali.gov

Project Number

0047-DC-2001-127

Project Title

Rural Water and Wastewater  
Demonstration Project

Performance Period

April 30, 2001 – May 31, 2002

#### Recipient Name & Address

Utility Services of Alaska, Inc.  
P.O. Box 80370  
Fairbanks, AK 99708-0370

Authority

112 Stat 1854

CFDA Number

90.100

Denali Commission Finance  
Officer Certification

Ph: (907) 479-2837 3118  
Fax: (907) 474-0619

#### Cost Share Distribution Table

Accounting Code	Denali Commission	Other Contributors	Total
95670000	\$100,000	\$0	\$100,000
			\$0
			\$0
			\$0
<b>Total</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- ☒ Special Award Conditions and Attachments  
☐ Line Item Budget  
☒ OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments  
[www.whitehouse.gov/OMB/circulars/a133/a133.html](http://www.whitehouse.gov/OMB/circulars/a133/a133.html)

#### Administrative Requirements (check one)

- ☐ 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments  
[www.access.gpo.gov/nara/cfr/waisidx\\_99/15cfr24\\_99.html](http://www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html)  
☒ 15 CFR 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations  
[www.access.gpo.gov/nara/cfr/waisidx\\_99/15cfr14\\_99.html](http://www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html)

#### Cost Principles (check one)

- ☐ OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments  
[www.whitehouse.gov/OMB/circulars/a087/a087-all.html](http://www.whitehouse.gov/OMB/circulars/a087/a087-all.html)  
☐ OMB Circular A-122, Cost Principles for Nonprofit Organizations  
[www.whitehouse.gov/OMB/circulars/a122/a122.html](http://www.whitehouse.gov/OMB/circulars/a122/a122.html)  
☐ OMB Circular A-21, Cost Principles for Educational Institutions  
[www.whitehouse.gov/OMB/circulars/a021/a021.html](http://www.whitehouse.gov/OMB/circulars/a021/a021.html)  
☒ 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission

Typed Name and Title

Jeffrey B. Staser, Federal Co-Chair

Date

4/1/02

Signature of Authorized Official

Typed Name and Title

Dan Gavora  
Executive Vice President

Date

4/15/02

**ASSURANCES - NON-CONSTRUCTION PROGRAMS**

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.


**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET.  
SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE Dan Gavora Executive Vice President	
APPLICANT ORGANIZATION  UTILITY SERVICES OF ALASKA	DATE SUBMITTED  4/15/02	

**AWARD CONDITIONS TO THE FINANCIAL ASSISTANCE AWARD  
BETWEEN THE DENALI COMMISSION AND UTILITY SERVICES OF ALASKA  
FOR RURAL WATER AND WASTEWATER DEMONSTRATION PROJECT**

**March 2002**

**Project No. 0047-DC-2001-I27**

***1. Scope of Work***

Project to demonstrate that private utility management practices can be applied to rural Alaskan Villages by establishing a sustainable, for-profit regional water utility system operating under the State of Alaska's existing statutory and regulatory framework.

Phase I—Stakeholder Coordination and Village Identification

1. Identify and meet with all stakeholders
2. Build village, regulatory, funding source and other stakeholder relationships.
3. Identify at least three villages and obtain village consent and acceptance of project.
4. Determine appropriate legal entity to own and operate systems
5. Coordinate with other village utility providers
6. Establish project parameters with villages and stakeholders
7. Design assessment (Phase II) and prepare Phase II Proposal and Funding Plan

Rural Utility Service of Alaska must identify cooperating communities and provide evidence of the communities' commitment to participate to receive award of Denali Commission funds. Upon completion of this portion of the scope (items 1 through 5 above), up to \$80,000 can be released. The remaining funds can be released upon the completion of items 6 and 7 above.

All Commission funding is intended for use for the scope of work identified in the Award document only.

***2. Award Performance Period***

The award performance period is April 30, 2001 through May 31, 2002. This is the period during which financial assistance award recipients can incur obligations or costs against this award.

***3. Direct and Indirect Costs***

The cost principles found in 48 CFR 31.2 , Contracts with Commercial Organizations, are applicable to this Award. Costs reflected in the budget submitted to the Denali Commission will be allowed up to the amount of the Award.

***4. Budget and Program Revisions***

The Commission Project Manager must approve changes in budget and scope in advance and in writing. Please refer to 15 CFR 14, the Administrative Circular applicable to this award, for further details.

USA will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions. This report is not required unless project conditions warrant it.

## **5. Reporting**

Five forms of project reporting are required under this Award, listed below. The first quarterly reporting period is 1/1/02 – 3/31/02. Unless otherwise indicated, reports are due within 30 days of the end of the reporting period.

The Commission reserves the right, at a future date, to direct USA to provide the progress reports in electronic format for posting on the Commission web page.

- a. Quarterly project reporting shall include both a narrative and financial summary. The narrative summary shall include a summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems. The project financial status report shall show the following:
  - i. The total project budget
  - ii. The project schedule with milestone dates for design and construction
  - iii. The total amount of Denali Commission funds committed to the project
  - iv. The total project expenditures as of the end of the most recent quarter
  - v. The total expenditure of Denali Commission funds for the project as of the end of the most recent quarter
  - vi. The percentage of expenditures to the total budget; and
  - vii. A project performance analysis on project line items, as defined by USA, showing budget costs compared to actual expenditures and obligation to date versus work performed to date (for each line item).
- b. A final Financial Status Report (Standard Form 269 – [www.whitehouse.gov/OMB/grants/index.html#forms](http://www.whitehouse.gov/OMB/grants/index.html#forms)) shall be submitted to the Commission Project Officer within 90 days after the end of the Award Performance Period. If the Award Performance Period is longer than one year, or if the Agreement is revised to extend the Award Performance Period beyond one year, the recipient must submit a completed Standard Form 269 annually within 90 days after the end of each anniversary of the award date.
- c. A Labor Type, Residence, and Wage Report shall be submitted to the Commission project officer at a minimum of two times annually. At a minimum, these two reports must be submitted on or near August 1<sup>st</sup> and December 1<sup>st</sup> each year to correspond with the Alaska construction season. A Labor Type,

Residence, and Wage Report must included the following information by construction project for any person employed on the construction of that project: position, place of primary residence, first check date, last check date, rate of pay per hour, payroll earnings from inception of project to date. Personal or confidential information such as Social Security numbers, names of individuals, or other information that would identify an individual should not be included in this report.

- d. Photographic documentation of project progress shall be provided with the quarterly reports for active construction projects. The photo documentation shall include a minimum of five, dated photos per quarter such that a complete record of the construction is maintained over time, from “before,” showing the situation before the start of construction, to “during” showing work proceeding on the project, and “after” to show the finished project. For minor repair and O&M projects, pictures should be provided of before and after to the extent possible. Photos may be provided as photo quality, 3x5 prints with negative for each picture, and/or print quality electronic photos (digital images). A short description of the activity and names of those in the photos shall also be provided.
- e. USA shall report annually the percentage of total funds (from the Commission and other sources) received used for planning, design and construction of infrastructure facilities, and/or economic development projects. In addition, this annual report will include a breakdown on how these funds were used: force account construction (including local labor wages paid, rural Alaska wages paid, and total project wages paid), and construction contracting. The 4<sup>th</sup> quarter report for the year can be used as both a quarter and annual summary report (providing both quarterly and annual financial data)

## ***6. Payments***

Payments under this award will be made through the U.S. Department of Treasury’s Automated Standard Application for Payment (ASAP) system. The ASAP system is the Commission’s mechanism for requesting and delivering Federal funds to Award recipients. Your organization must be registered with the ASAP program in order to make draw downs. Please contact the Commission’s Project Manager or Finance Manager for further information about registering with the ASAP program. Payments will be made in accordance with 15 CFR 14. **No interest will be accrued on these funds.**

## ***7. Award Close Out***

- a. The Award closeout must be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. The project closeout process out includes the submission of both a final narrative report and financial status report. Recipient organizations must also request any remaining funds for expenditures under this award during this 90-day

period. Please refer to the Commission guidance for project closeout for additional details on the requirements. This is available by contacting the Commission office or the Project Manager.

- b. Acknowledgement of support: For all construction projects, the contractor shall include an acknowledgement of the Government's support of any project developed under this Award. The contractor shall display a sign that 1) Has the Denali Commission logo displayed on the upper right-hand quadrant; 2) States the following: "This project was financed by the Denali Commission and its partners"; and 3) Shows the logo of each partner in the lower right-hand quadrant. The cost of this sign shall be paid out of the project funding received by the Contractor from the Denali Commission. Final approval of signage material and placement of sign must be obtained from the Commission Project Manager.

## ***8. Public Policy Laws and Assurances***

Financial Assistance Award Recipients are required to comply with the public policy laws and assurances on forms SF 424b (non-construction projects) or SF 424d (construction projects). This form must also be signed by a certifying official of the organization. Some of the laws are highlighted below for your reference.

To the maximum extent feasible, considering applicable laws, USA shall accomplish the work of this Agreement utilizing local labor and small, minority owned and disadvantaged businesses.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds.

## ***9. Project Officers & Contact Information***

Denali Commission	Utility Services of Alaska
Ms. Kathleen Prentki 510 "L" Street, Suite 410 Anchorage, AK 99501 (phone) (907) 271-1441 (fax) (907) 271-1415 e-mail: kprentki@denali.gov	Mr. Bill Gordon PO Box 80370 Fairbanks, AK 99708-0370 (phone) (907) 479-3118 (fax) (907) 474-0619 e-mail: bgordon@gci.net